

Program Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	17.00	17.00	16.50	16.50	17.00	16.50	(0.50)	(2.94)%
Personal Services	1,282,052	1,438,836	1,518,777	1,517,270	2,720,888	3,036,047	315,159	11.58 %
Operating Expenses	545,698	529,875	598,280	594,697	1,075,573	1,192,977	117,404	10.92 %
Total Costs	\$1,827,750	\$1,968,711	\$2,117,057	\$2,111,967	\$3,796,461	\$4,229,024	\$432,563	11.39 %
State/Other Special Rev. Funds	1,827,750	1,968,711	2,117,057	2,111,967	3,796,461	4,229,024	432,563	11.39 %
Total Funds	\$1,827,750	\$1,968,711	\$2,117,057	\$2,111,967	\$3,796,461	\$4,229,024	\$432,563	11.39 %

Program Description

The Architecture and Engineering Division (A&E) manages remodeling and construction of state buildings. Its functions include planning new projects and remodeling projects; advertising, bidding, and awarding construction contracts; administering contracts with architects, engineers, and contractors; disbursing building construction payments; and providing design services for small projects. The division also formulates a long-range building plan for legislative consideration each session. This division operates under the authority found in Titles 17 and 18, MCA, as well as other state mandates.

Program Highlights

Architecture & Engineering Division Major Budget Highlights
<ul style="list-style-type: none"> Executive proposes to increase the 2017 biennium budget by 11.4% when compared to the 2015 biennium budget Majority of the increase is due to changes for personal services
Major LFD Issues
<ul style="list-style-type: none"> Estimated funding for construction fund does not support proposed expenditures

Program Discussion -*Comparison of FY 2015 Legislative Base to FY 2015 Adjusted Base*

The Architecture and Engineering Program did not change the FY 2015 legislative appropriations. The number shown in the program budget comparison table above reflects the budget approved by the 2013 Legislature.

Comparison of the FY 2014 Actual Expenditures to FY 2015 Legislative Appropriations

Actual FY 2014 expenditures are \$140,960 lower than the FY 2015 legislative appropriation. The primary reason for the difference is due to vacancy savings of 14.2% within the program resulting in lower personal services costs in FY 2014.

Executive Request

In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13, other changes include:

- Training assignment progression and reclassification increases granted throughout FY 2014 that are annualized for the 2017 biennium
- Employee attainment of longevity milestones in the 2016 biennium
- Changes in employer retirement
- Reductions in costs related to the implementation of the boilerplate language in HB 2 enacted by the 2013 Legislature
- Operating expenses increase due to increases in fixed costs mainly attributable to the statewide cost allocation plan.

Funding

The following table shows proposed program funding by source from all sources of authority.

Department of Administration, 04-Architecture & Engineering Pgm Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02030 Arch & Engin Construction	4,229,024	0	0	4,229,024	100.00 %	
State Special Total	\$4,229,024	\$0	\$0	\$4,229,024	100.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$4,229,024	\$0	\$0	\$4,229,024		

The Architecture and Engineering Program is funded with funds transferred from the long-range building capital projects fund to a state special revenue account established for administrative expenses in support of the state Long-range Building Program.

LFD ISSUE

Estimated Funding in the Architecture and Engineering Construction Fund Does Not Support Proposed Expenditures

As part of the budgeting process programs provide projected fund balances for accounts that support their activities. The Architecture and Engineering Division projects a negative fund balance of (\$150,297) by the end of fiscal year 2017 in their state special revenue account that supports their program. Revenues for the account are derived from transfers from the long-range building capital project fund.

Legislative Options

The legislature has two options in relation to the negative fund balance:

1. Reduce program costs by \$150,297 over the biennium to ensure that the program does not overexpend
2. Request that the program increase the projections for revenues to be transferred from the long-range building capital projects fund

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	1,968,711	1,968,711	3,937,422	0.00 %
PL Adjustments	0	0	0	0.00 %	148,346	143,256	291,602	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$2,117,057	\$2,111,967	\$4,229,024	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	0	79,941	0	79,941	0.00	0	78,434	0	78,434
DP 99 - LEG. Present Law	0.00	0	68,405	0	68,405	0.00	0	64,822	0	64,822
Grand Total All Present Law Adjustments	0.00	\$0	\$148,346	\$0	\$148,346	0.00	\$0	\$143,256	\$0	\$143,256

DP 98 - LEG. Personal Services Present Law -

The Personal Services Present Law Adjustments (PSPL) in the table on the next page includes all present law adjustments related to personal services, including statewide present law personal services adjustments. This adjustment has been broken out by some of its component parts for a more detailed understanding of the adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2.

Personal Services Present Law					
Adjustments					
					FY 2016
			General	State	Federal
			Fund	Special	Special
CP 98 PSPL Item	FTE				Total
					Funds
State Share Health Insurance	16.50	\$0	\$8,019	\$0	\$8,019
Executive Implementation of 2015 Pay Increase		-	26,969	-	26,969
Fully Fund 2015 Legislatively Authorized FTE		-	-	-	-
Other		-	44,953	-	44,953
Personal Services Present Law	16.50	\$0	\$79,941	\$0	\$79,941
Adjustments					
					FY 2017
			General	State	Federal
			Fund	Special	Special
CP 98 PSPL Item	FTE				Total
					Funds
State Share Health Insurance	16.50	\$0	\$8,019	\$0	\$8,019
Executive Implementation of 2015 Pay Increase		-	26,969	-	26,969
Fully Fund 2015 Legislatively Authorized FTE		-	-	-	-
Other		-	43,446	-	43,446
Personal Services Present Law	16.50	\$0	\$78,434	\$0	\$78,434
Adjustments					

In addition to increases that result from the implementation of pay raises and health insurance contributions included in HB 13, other changes include:

- Training assignment progression and reclassification increases granted throughout FY 2014 that are annualized for the 2017 biennium
- Employee attainment of longevity milestones in the 2016 biennium
- Changes in employer retirement

DP 99 - LEG. Present Law -

As shown in the present law adjustment table on the previous page, overall the executive is proposing an increase in general fund of \$2.1 million. This adjustment is for rent of the common areas that is discussed in the LFD Issue in the Program Discussion.